

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

----- x
In re:)
) PROMESA
) Title III
THE FINANCIAL OVERSIGHT AND)
MANAGEMENT BOARD FOR PUERTO RICO,) No. 17 BK 3283-LTS
)
as representative of) (Jointly Administered)
)
THE COMMONWEALTH OF PUERTO RICO, *et al.*,) Re: ECF No. 21902
)
Debtors.¹)
)
----- x

**RESPONSE OF ROTHSCHILD & CO US INC.
TO ORDER TO SHOW CAUSE REGARDING NON-COMPLIANCE WITH
THE PUERTO RICO RECOVERY ACCURACY IN DISCLOSURES ACT
AND THE COURT'S ORDERS RELATED THERETO**

Rothschild & Co US Inc. (“Rothschild & Co”) hereby submits the following response to the Court’s *Order to Show Cause Regarding Non-Compliance with the Puerto Rico Recovery Accuracy in Disclosures Act and the Court’s Orders Related Thereto* dated August 23, 2022 (the “Order to Show Cause”) and respectfully states as follows:

1. In March 2017, Rothschild & Co was engaged (the “Engagement”) by the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) to provide financial advisory

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17- BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17- BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

services with respect to any restructuring, recapitalization, reorganization or other strategic alternative pertaining to the outstanding indebtedness or other liabilities of the Commonwealth and/or a new capital raise by the Commonwealth. The Engagement was terminated on March 1, 2019 (the “Termination Date”). Since the Termination Date, Rothschild & Co has not been engaged to provide any services to AAFAF or the Commonwealth.

2. The Puerto Rico Recovery Accuracy in Disclosures Act of 2021, Pub. L. No. 117-82 (“PRRADA”), was signed into law on January 20, 2022. 48 U.S.C. § 2178. Effective as of that date, “no attorney, accountant, appraiser, auctioneer, agent, or other professional person may be compensated under section 316 or 317 of [PROMESA] unless prior to making a request for compensation, the professional person has filed with the court a verified statement conforming to the disclosure requirements of rule 2014(a) of the Federal Rules of Bankruptcy Procedure setting forth the connection of the professional person with any entity or person on the List of Material Interested Parties.” *See* 48 U.S.C. § 2178(2)(b)(1). The professionals on the List of Material Interested Parties approved by the Court were required to file PRRADA disclosures by July 15, 2022. However, as noted by the United States Trustee in its *Comment and Related Status Report on the Verified Statements of Connections Filed by Professionals Under PRRADA*, those professionals that did not file the PRRADA disclosures by this date but did not plan to file further fee applications “are technically in compliance with PRRADA.” *See* ECF No. 21840 at 6.

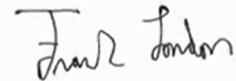
3. Rothschild & Co is not performing Title III work and is not required to file fee applications (and has not been required to do so since prior to the enactment of PRRADA). Rothschild & Co filed its final fee application in the Title III case on August 21, 2019. *See* ECF No. 8512. The Court approved Rothschild & Co’s final fee application on March 6, 2020, approximately 22 months before PRRADA was enacted. *See* ECF No. 12157. Accordingly,

because Rothschild & Co is not seeking further compensation in the Title III case, Rothschild & Co respectfully submits that it is not subject to the disclosure requirements of PRRADA.

Dated: August 30, 2022
San Juan, Puerto Rico

Respectfully submitted,

Rothschild & Co US Inc.
1251 Avenue of the Americas
New York NY 10020



Frank London
Managing Director
frank.london@rothschildandco.com
(212) 403-3612